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17 September 1952

MEMORANDUM FOR: Assistant Director/Communications

SUBJECT: Claim for Special Living Allowance -

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1. Reference is made to your memorandum to the Chief, Confidential Funds Division dated 5 September 1952 on the above subject, which was forwarded to this office for concurrence with the recommendations made therein.

2. I am unable to concur with the suggestion that [] provides authority for you to approve a Special Living Allowance for [] on the basis of the facts disclosed in the investigative report attached to the referenced memorandum.

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3. Authority is granted by [] Regulations to approve prospectively a Special Living Allowance where it may be necessary to meet extraordinary living expenses. It clearly provides that all payments made pursuant to it will be in the nature of advances and fully accountable, except as Assistant Directors of covert offices may otherwise approve. This approval relates only to accounting procedures and not to the substantive quality of the allowance. This Section is not intended to provide for reimbursement for excessive costs once incurred and a hardship case presumably presented.

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4. The attached investigative report indicates that [] was paid the full amount of the authorized temporary lodging and cost of living allowances computed in accordance with the Standardized Government Civilian Allowance Regulations for [] his permanent station, and as otherwise authorized by the CCC administrative plan for the project. In the absence of extraordinary circumstances related to operational needs, he is not entitled to further reimbursement for the excessive costs of maintaining himself and his wife while living in []

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5. Paragraph 3(f) of the investigative report, attached to the referenced memorandum, states in part, "It appears reasonable then that he be allowed the difference in living costs between the [] rate and a commercial hotel rate." Assuming for the moment the existence of circumstances justifying a hardship claim, it should be pointed out that the measure of hardship should never be the difference between prescribed allowances and the actual expenses incurred by an individual, but

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should instead be the difference between such allowances and a reasonable allowance for maintenance determined by objective standards. In this regard, the investigative report discloses that [REDACTED] was paid a total of approximately \$7.00 per day in allowances. His receipted bill for three-days stay at [REDACTED] converted to dollar currency, shows a daily charge of less than \$9.00, an excess over allowances of about \$2.00. This daily charge includes several incidental disbursements, personal in nature.

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6. Persons familiar with living conditions in [REDACTED] have informed this office that the [REDACTED] is reputed to be a satisfactory hotel. Although it does not seem unreasonable to suggest that a person should be required to provide \$2.00 per day from his salary in order to support himself, this office cannot purport to pass judgment upon what constitutes a reasonable allowance for an individual in [REDACTED] and without recourse to [REDACTED]. Again, it is not our province to deny the justification for [REDACTED] decision to move himself and his wife to the [REDACTED]. Government facilities are available in only a few of the overseas stations to which personnel of CIA and other departments and agencies are detailed. On the great majority of posts, individuals are compelled to locate their own private quarters. The authorized allowances are determined in each instance with proper regard to the prevailing costs of living and general economic conditions. They are intended to reimburse the individual for the additional cost of maintaining himself and his family over and above what his normal expenses of living would be on a headquarters assignment. They are not intended to sustain him in such a manner that he will not be forced to draw upon his salary to defray certain obligations.

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7. On the basis of the facts disclosed in the attached investigative report, [REDACTED] appears to have been compensated in full in accordance with the substantive rights to which he is entitled. We are unable to perceive that a hardship has been clearly demonstrated.

JOHN S. WARNER
Acting General Counsel

OGC/JSW/GHK:imm

Distribution -

Orig - Addressee

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Enclosures - Referenced memorandum
Investigative Report
Subject correspondence

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ORIGINAL DOCUMENT MISSING PAGE(S):

ATTACHMENT